



Summary of Head Start Regulations on Recompetition

November 2011

After several years of study and one round of proposed regulations and comments, the Office of Head Start has now issued final regulations (45 C.F.R. Part 1307) that will implement the new rules for renewal of Head Start grants. This new “Designation Renewal System” follows the mandate by Congress in the 2007 Head Start Reauthorization that Head Start grantees not delivering high-quality services re compete for their grants. Within the next three years, all existing grants will be converted to five-year grants and some of the existing grantees will be required to compete in an open competition. The big change from the proposed regulations was the removal of the requirement that a minimum of 25% of grants be subject to recompetition, a provision that had engendered many negative comments.

The requirement for recompetition will be triggered by any one or more of the following seven criteria:

- a. Deficiency. One or more deficiencies since June 12, 2009 (can relate to grantee or delegate agency)
 - o A “deficiency” is defined by the Head Start Act as:
 - A systemic or substantial material failure of a grantee in an area of performance that HHS determines involves:
 - A threat to the health, safety, or civil rights of children or staff;
 - Denial of parents’ right to participate in program governance;
 - Failure to comply with standards related to early childhood development and health services, family and community partnerships, or program design and management;
 - Misuse of Head Start funds;
 - Loss of legal status or financial viability, loss of permits, debarment from receiving federal grants, or improper use of federal funds; or
 - Failure to meet any other federal or state requirement that the grantee has shown an unwillingness or inability to correct, after notice from HHS, within the specified time period

- Systemic or material failure of the grantee's Board of Directors to fully exercise its legal and fiduciary responsibilities; or
 - An unresolved area of noncompliance.
- b. School Readiness. After December 9, 2011, failure to establish and take steps to achieve appropriate program goals for improving school readiness of children.
 - c. CLASS-Pre-K. After December 9, 2011, failure to achieve certain minimum scores on the CLASS: Pre-K instrument (a classroom observation assessment tool) or score in the lowest 10% of any CLASS:Pre-K domain, unless such score is 6 or above.
 - d. Loss of License. State or local operating license has been revoked (and revocation has not been withdrawn or overturned prior to competition is announced) at any time since June 12, 2009.
 - e. Suspension of Head Start funding. Since June 2009, ACF has suspended the Head Start grantee, and the suspension has not been overturned or withdrawn, or the grantee has not had an opportunity to show cause why the suspension is not justified.
 - f. Debarment. Since June 2009, the grantee has been debarred from receiving federal or state funds or disqualified from the Child and Adult Care Food Program.
 - g. Not a Going Concern. Based on an HHS review of audit or inspection findings, a grantee has been determined in the twelve months prior to HHS's renewal review to be at risk of failing to continue functioning as a going concern.

The regulations explain the timeline and process for determining whether a grantee will need to recomplete. Each grantee that wants to renew its grant without recompetition (presumably all of them) will need to apply initially for such renewal by June 9, 2012 and then after the three-year transition period, at least 12 months before the end of the grant period. From December 9, 2011 through December 8, 2012, ACF will notify grantees if they must recomplete as a result of meeting conditions a or d through g, above. Grantees who do not meet these conditions during the first year will remain under indefinite project periods until a determination by HHS in the next two years as to whether they meet conditions a or d through g. since June 12, 2009 or conditions b or c since December 9, 2011.

Clearly, this new system will result in big changes to the Head Start system as a whole and to individual grantees and their families and communities. It is now more important than ever to avoid deficiencies in a Head Start review and to understand and prepare for the new school readiness and CLASS-Pre-K requirements.